

MISCELLANEOUS FILES RE: ADMINISTRATION
of MANCHURIA and MONGOLIA, - 1935-1936.

SHOWA 10 (1935) No. 15578

(Sent by airplane in the afternoon, Oct. 2, from Peiping.

(Received " " " Oct. 2, by Foreign
Ministry)To the Foreign Minister, HIROTA
Councillor, WAKASUGI

Cable 331 (1) (TOP SECRET, in Ambassador's code)

My observations of the recent situation in this area lead me to believe that the (Japanese) Army is intending to organize a combined self-government (practically an Independent State) out of the five provinces of North China now free from the domination of the Nanking Government for the sake of national defence and of forming an economic bloc of Japan, Manchuria and North China, /and/ ultimately for the sake of politics, finance and economy. The speech by the Commander of the Tientsin Force, reported by the Asahi in its issue of Sept. 25th, gives the matter most tersely and clearly. The recent North China incident, the help to SHANG Chen in becoming Governor of Hopei, the appointment of SUNG Cheyuan as Commander of Ping Chin Wei in Chahar, and the policies towards Shanhsi and Ninghsia areas - all these were based upon the above policy. The party of investigators of Suiyuan and Joho which I reported at the end of the former cable No. 301, a party of more than twenty investigators composed of Manchukuo officials of Japanese origin and clerks of the South Manchurian Railway Company who have been recently made Army employees of the Tientsin Force, through the support of the Kwantung Army (having their headquarters in Tientsin, they investigate policies for self-government (including relations with foreign settlements), economy, finance (including the taking over of the customs), and industry in order to prepare for the establishment of the North China Government), a party of over thirty investigators of the South Manchurian Railway Company (being composed of clerks of the S.M.R.C. who have also been made employees of the Tientsin Force, and most of whom are bachelors of engineering and science, they chiefly make technical investigations. Some of them have already started for the interior while others are now pouring into Tientsin. They are under the direction of NONAKA, Chairman of Relations with China of the Economic Investigation Committee of the South Manchurian Railway Company, and Lt. Col. HAYASHI, Staff Officer of the Tientsin Force), - all these simply pave the way for the realization of the aforesaid policy. Japanese officials and businessmen who have come to North China for inspection of Manchuria and Korea often ask me now about the inde-

pendence of customs and the possibility of Japanese or Manchukuo currency, a fact which may be considered as another reflex of the matter,

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(Sent by airplane in the afternoon Oct. 2, from Peiping
Rec'd " " " Oct. 2, by Foreign Min.)

To the Foreign Minister, HIROTA
Councillor, WAKASUGI

Cable 331 (2) (TOP SECRET, in Ambassador's code)

In addition to the aforesaid, the /Japanese/ Forces' Mongolian policy is making steady progress as I and the Consul at Changchiakou repeatedly reported to you. The other day Maj. Gen. DOIHARA made a trip from Chiangchiakou to Chengte and back and saw the Governor of Chahar Province and Prince Te; his mission was no doubt to promote the Inner-Mongolian self-government. The Okura Gumi recently set up a subsidiary company, Tameng Co. (with its head office at Hsinching, and with Tuolun and Changchiakou as the centres of its activity) for the purpose of economic development in Inner Mongolia at the request of the /Japanese/ Army. It is merely a help to the above policy.

As stated above, the /Japanese/ Army's farsighted scheme is under steady progress. We must, I think, pay deep consideration to, and be well prepared for, how its future development will affect our whole situation with China both diplomatically and in general international relations.

I beg you for your detailed instructions, which will enable us to act in conformity with them, of your decision, whether we shall give complete support and cooperation to the /Japanese/ Army's above-mentioned policy, or we shall moderate or restrain it to some extent, or we shall look on, letting the Force do as it pleases.

The /Japanese/ Force not only tells us nothing beforehand about its plans and measures, but also never informs us formally about them when they are decided upon or undertaken. Such being the case, we, diplomatic authorities on the spot, can obtain nothing but imperfect information through private efforts and find it next to impossible or insufficient to act in conformity with them or to keep an eye on them. This makes us ashamed of ourselves from the standpoint of the prestige and responsibility of the diplomat to the authorities of this State as well as to Japanese and foreigners in general. I beg you

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that adequate measures to correct this state of things be taken in Tokyo and Hsinching.

I have sent your cable to China /?/